GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2854
ANSWERED ON:30.03.2012
INSTALLATION OF ATM QUESTION
Patil Shri Sanjay Dina

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to seek private participation in the installation of Automated Teller Machines (ATMs) in the country;

(b) if so, the details thereof and the reasons therefor; and

(c) the manner in which the grievances would be redressed in the event of such participation?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a)and(b): Reserve Bank of India (RBI) has decided to permit non-bank entities to setup, own and operate ATMs. The draft guidelines on deployment of White Label ATMs were placed .on RBI website for public comments till March 6, 2012. The reasons for permitting non-bank entities to set up ATMs are the following :

(i) ATM penetration on a per capita basis in the country is less as compared to other countries.

(ii) Less presence of ATMs in Tier lll to V! areas of the country,

(iii) This initiative will boost the financial inclusion process.

(c) According to the draft guidelines, while the primary responsibility to redress grievances of customers relating to failed ATM transactions would vest with the issuing bank, the sponsor bank will provide necessary support in this regard, including making available necessary records and information to the issuing bank. For this purpose, the sponsor bank should have necessary arrangements with the White Label ATM operator.